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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|--------------------|----------------------|---------------------------------|-----------------------------|
| 13/433,764 | 03/29/2012 | Jonathan Newman | 82900702 | 3941 |
| 22879 HP Inc. 3390 E. Harmony Road Mail Stop 35 FORT COLLINS, CO 80528-9544 | 7590 02/23/2017 | | EXAMINER DAGNEW, SABA | |
| | | | ART UNIT 3682 | PAPER NUMBER |
| | | | NOTIFICATION DATE 02/23/2017 | DELIVERY MODE ELECTRONIC |

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte JONATHAN NEWMAN, ANDREW SINGER, JON K. LEWIS,
TERRY M. FRITZ, DAVID J. MILLER, and OPINDERJIT BHELLA

Appeal 2014-008125¹
Application 13/433,764²
Technology Center 3600

Before NINA L. MEDLOCK, TARA L. HUTCHINGS, and
AMEE A. SHAH, *Administrative Patent Judges*.

SHAH, *Administrative Patent Judge*.

DECISION ON APPEAL

The Appellants appeal under 35 U.S.C. § 134(a) from the Examiner's final decision rejecting claims 1–22. We have jurisdiction under 35 U.S.C. § 6(b).

We AFFIRM-IN-PART and ENTER a NEW GROUND OF REJECTION pursuant to our authority under 37 C.F.R. § 41.50(b).

¹ Throughout this opinion, we refer to the Appellants' Appeal Brief ("Appeal Br.," filed Feb. 25, 2014), Reply Brief ("Reply Br.," filed July 18, 2014), and Specification ("Spec.," filed Mar. 29, 2012), and to the Examiner's Answer ("Ans.," mailed May 22, 2014), and Final Office Action ("Final Act.," mailed Oct. 25, 2013).

² According to the Appellants, the real party in interest is Hewlett-Packard Development Company, LP. Appeal Br. 2.

STATEMENT OF THE CASE

The Appellants' invention is directed generally to “[a] system that could sift through a large collection of coupons, using customer specific information and preferences, to find relevant coupons” and that would “present[] coupons in a personally relevant and useful order.” Spec. ¶¶ 9, 13.

Claims 1, 8, and 15 are the independent claims on appeal. Claim 15 is illustrative of the subject matter on appeal and is reproduced below:

15. A method for presenting personalized coupon offers, comprising:

aggregating coupons from different sources;

normalizing the coupons into a common coupon data format;

storing the coupons in a database;

collecting information relating to a user;

analyzing the coupons in the database based in part on the collected information relating to the user to create a set of coupons for the user; and

presenting the set of coupons to the user based on the analysis.

Appeal Br. 39 (Claims App.).

REJECTIONS

Claims 15–22 stand rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Final Act. 3.

Claims 1–22 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Ozer (US 2005/0021403 A1, pub. Jan. 27, 2005). *Id.* at 5.³

FINDINGS OF FACT

The findings of fact in the Analysis section below are supported at least by a preponderance of the evidence.⁴

ANALYSIS

Non-Statutory Subject Matter - § 101

The Appellants argue claims 15–22 as a group with claim 15 as representative. *See* Appeal Br. 15. We select claim 15 as representative of the group of claims. Claims 16–22 stand or fall with claim 15. *See* 37 C.F.R. § 41.37(1)(c)(iv).

The Examiner finds that claim 15 is directed to non-statutory subject matter because the claim does not satisfy the machine or transformation test outlined in *Bilski v. Kappos*, 130 S. Ct. 3218 (2010), i.e., that the method is neither “(1) [] tied to a particular machine or apparatus (machine implemented); [n]or (2) particularly transform[s] a particular article to a different state or thing.” Final Act. 3.

After the mailing of the Examiner’s Answer, the Supreme Court clarified the law regarding patentable subject matter in *Alice Corp. Pty. Ltd.*

³ The rejection of claims 1–7 under 35 U.S.C. § 112 has been withdrawn. Ans. 3.

⁴ *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

v. CLS Bank Int'l, 134 S. Ct. 2347 (2014). In doing so, the Supreme Court reiterated the two-step framework, previously set forth in *Mayo Collaborative Services v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice Corp.*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts,” *id.*, e.g., to an abstract idea. If so, the second step is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 132 S. Ct. at 1297).

Applying the framework set forth in *Alice*, and as the first step of that analysis, we find that the Specification describes the invention as “sift[ing] through a large collection of coupons, using customer specific information and preferences, to find relevant coupons” (Spec. ¶ 9) and “for presenting coupons in a personally relevant and useful order which is directed at achieving these objectives” (*id.* ¶ 13). Independent claim 15 is directed to a method of presenting personalized coupon offers by aggregating coupons/data, normalizing the coupons/data into a common format, storing the coupons/data, collecting user information, analyzing the coupons/data to create a set of coupons/data for the user, and presenting the set of coupons/data to the user. *See* Appeal Br. 39. In that context, the invention is directed to presenting personalized offers, a fundamental economic and conventional business practice. Further, the steps recited in claim 15 involve nothing more than collecting, normalizing, analyzing, and presenting data,

all steps that can be performed manually. In this regard, the claims are similar to the claims that the Supreme Court determined were patent ineligible in *Parker v. Flook*, 437 U.S. 584 (1978) (mathematical algorithm used for adjusting an alarm limit) and, more recently, that the Federal Circuit determined were patent ineligible in *Elec. Power Grp. LLC v. Alstom*, 830 F.3d 1350, 1353–54 (Fed. Cir. 2016) (collecting information and “analyzing information by steps people go through in their minds, or by mathematical algorithms, without more, [are] essentially mental processes within the abstract-idea category.”), *OIP Tech., Inc. v. Amazon.com, Inc.*, 788 F.3d 1359, 1362–63 (Fed. Cir. 2015) (offer-based price optimization), *Intellectual Ventures I LLC v. Capital One Bank (USA)*, 792 F.3d 1363, 1370 (Fed. Cir. 2015) (tailoring information presented to a user based on particular information), and *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 714 (Fed. Cir. 2014) (using advertising as an exchange or currency). Here, claim 15 involves nothing more than providing personalized offers by obtaining and analyzing information, without any particular inventive technology — an abstract idea. *See Elec. Power Grp.*, 830 F.3d at 1354.

Having concluded that the claims are directed to an abstract idea, we next consider whether there are additional elements recited in the claims that transform the nature of the claim into a patent-eligible application of the abstract idea, i.e., step 2. We conclude that there are not.

The elements added to the well-known practice of collecting and analyzing information of (1) limiting the information collected to information regarding coupons and users, (2) normalizing the data, and (3) analyzing the information to create user-specific coupons/data do not alter the nature of the abstract idea itself. We also note that the claim does

not recite a machine to impose a meaningful limit on the claim's scope and that the functions of the method can be performed manually, and thus also do not alter the nature of the abstract idea. *See Bilski*, 561 U.S. at 610–12. Nonetheless, any general purpose computer available at the time the application was filed would have been able to perform these functions. The Specification supports that view. *See Spec.* ¶¶ 11–17 (describing conventional computer readable media and computer systems).

The dependent claims 16–22 add nothing significantly more to the patent-ineligible concepts recited in independent claim 15. Instead, these claims merely specify further details of the data obtained and stored and the analysis.

In view of the foregoing, we sustain the Examiner's rejection of claims 15–22 under 35 U.S.C. § 101. Because our rationale differs from that set forth by the Examiner, we denominate this a new ground of rejection.

We further ENTER a NEW GROUND OF REJECTION for claims 1–14. Independent apparatus claim 1 recites a system comprising a user interface, a storage medium with databases, and engines, i.e., a general computer, to perform a method similar to that of claim 15. Appeal Br. 35. Similarly, independent apparatus claim 8 recites an apparatus comprising a computer-readable medium with instructions to perform the method of claim 15. *Id.* at 37. Both independent claims are thus also directed to the abstract idea of presenting personalized coupon offers. The introduction of a computer to implement an abstract idea is not a patentable application of the abstract idea. *Alice*, 134 S. Ct. at 2357–58. The computer implementation here is purely conventional and performs basic functions. *See id.*

at 2359–60. Taking the limitations of the claims alone and in combination, the claims do not purport to improve the functioning of the computer itself, nor do they effect an improvement in any other technology or technical field. *See id.* at 2359.

Thus, independent claims 1 and 8 cover claimed subject matter that is judicially-excepted from patent eligibility under § 101. The dependent claims 2–6 and 9–14 add nothing significantly more to the patent-ineligible concepts recited in independent claims 1 and 8. Instead, these claims merely specify further details of how the data are obtained and stored and the analysis.

Therefore, we enter a new ground of rejection of claims 1–14 under 35 U.S.C. § 101.

Obviousness - § 103

Each of the independent claims 1, 8, and 15 requires that the coupons are normalized “into a common coupon data format.” Appeal Br. 35, 37, 39. We agree with the Appellants that Ozer does not disclose or teach this limitation. *See* Appeal Br. 25.

The Examiner finds that Ozer discloses this limitation at paragraphs 123 and 179. The cited portions of Ozer disclose merging the data of scheduled advertising inventory of advertising impressions with historical advertising delivery data to estimate available inventory and displaying percentages for committed advertisements that are normalized values for each of the committed advertisements. Ozer ¶¶ 123, 179. As the Examiner finds, Ozer teaches “normalizing the value of each of the committed advertisement[s].” Ans. 7. We agree with the Appellants that

“normalizing a value is not equivalent to normalizing coupons into a common coupon data format.” Appeal Br. 25, Reply Br. 14 (emphases omitted). Although the Examiner also finds that it would have been obvious to “replace normalizing value[s] for each of the committed advertisement[s] by normalizing a common coupon since the claimed element is simple substitution of one known element for another producing a predictable result renders the claim obvious” (Final Act. 22), the Examiner does not adequately explain, and it is not clear to us, how one can substitute normalizing values for coupons/data for normalizing the coupons/data into a common data format.

Based on the foregoing, we are persuaded of error on the part of the Examiner in the rejection of claims 1, 8, and 15 under 35 U.S.C. § 103(a), and we do not sustain this rejection of independent claims 1, 8, and 15, and of dependent claims 2–7, 9–14, and 16–22.

DECISION

The Examiner’s rejection of claims 15–22 under 35 U.S.C. § 101 is **AFFIRMED**. Insofar as our rationale differs from that set forth by the Examiner, we denominate this a new ground of rejection.

The Examiner’s rejection of claims 1–22 under 35 U.S.C. § 103(a) is **REVERSED**.

A **NEW GROUND OF REJECTION** has been entered for claims 1–14 under 35 U.S.C. § 101.

This decision contains a new ground of rejection pursuant to 37 C.F.R. § 41.50(b). Section 41.50(b) provides that “[a] new ground of

rejection pursuant to this paragraph shall not be considered final for judicial review.” Section 41.50(b) also provides

When the Board enters such a non-final decision, the appellant, within two months from the date of the decision, must exercise one of the following two options with respect to the new ground of rejection to avoid termination of the appeal as to the rejected claims:

(1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new Evidence relating to the claims so rejected, or both, and have the matter reconsidered by the examiner, in which event the proceeding will be remanded to the Examiner. The new ground of rejection is binding upon the examiner unless an amendment or new Evidence not previously of Record is made which, in the opinion of the examiner, overcomes the new ground of rejection designated in the decision. Should the examiner reject the claims, appellant may again appeal to the Board pursuant to this subpart.

(2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same record. The request for rehearing must address any new ground of rejection and state with particularity the points believed to have been misapprehended or overlooked in entering the new ground of rejection and also state all other grounds upon which rehearing is sought.

Further guidance on responding to a new ground of rejection can be found in the *Manual of Patent Examining Procedure* § 1214.01.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED-IN-PART; 37 C.F.R. § 41.50(b)